THE HONOURABLE SRI JUSTICE GODA RAGHURAM

WRIT PETITION No. 781 of 2007

DATED: 18-1-2007

Between:

K.Pradeep Kumar and another

…Petitioners

and

UTI Bank Ltd., represented by its
Manager, Secunderabad and another

…Respondents.

THE HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.No. 781 of 2007

Oral order:

The 1st petitioner borrowed money from the 1st respondent-Bank by way of Term loan/Cash Credit facility to an extent of Rs.35 lakhs. The sanction letter was issued on

8-1-2004 and towards the security for the loan, the 2nd petitioner stood guarantee, executed a guarantee deed dated 9-1-2004 and created an equitable mortgage on the 2nd petitioner's residential premises in an extent of 211.5 Sq. yards situated at Narayanaguda, Hyderabad. Admittedly, the 1st petitioner defaulted in the repayment of the instalments of the loan. Proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the Act') were initiated and notice under Section 13 (2) of the Act was issued on 28-12-2006. The petitioners contend that notice under Section 13 (2) of the Act was issued to the earlier address of the 1st petitioner at Hyderabad, whereas the 1st petitioner was currently residing at Domalguda. The 2nd petitioner admittedly received the said notice.

According to the petitioners, on 12-11-2006 the 1st petitioner submitted a representation seeking rescheduling of the loan instalment and the said representation was not acceded to by the respondents and the respondents have put in motion the process of seizing the assets and putting it to sale. Assailing this process, this writ petition is filed.

As the petitioners have admittedly defaulted in the repayment of the loan, the respondents have the liberty to initiate proceedings under

the provisions of the Act. This is what the respondents have done. They have issued notice under Section 13 (2) of the Act which, has admittedly been received by the 2nd petitioner. In so far as the 1st petitioner is concerned, though it is alleged that the notice was sent to the earlier address, it now appears that the 1st petitioner is also aware that such a notice is issued. The representations of the petitioners seeking reschedulement of the loan has not been acceded to by the respondents. That is an aspect within the discretion of the respondent-Bank. The respondents under no linear legal obligations to reschedule the loan according to the convenience of the petitioners. There is no legal basis pleaded for issuing an order interdicting the entitled process of the respondents under the provisions of the Act. There are no merits.

The writ petition is accordingly dismissed. However, it is open to the petitioners to represent to the respondents for a sympathetic consideration or to pursue any other remedy available under law.

GODA RAGHURAM, J.

18th January, 2007
GRR